

AMENDED IN ASSEMBLY APRIL 13, 2015

AMENDED IN ASSEMBLY MARCH 26, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 756

Introduced by Assembly Member Chang
(Coauthors: Assembly Members Brough and Olsen)
(Coauthor: Senator Huff)

February 25, 2015

An act to add Section 42 to the Revenue and Taxation Code, relating to small businesses.

LEGISLATIVE COUNSEL'S DIGEST

AB 756, as amended, Chang. Small businesses: civil fines and penalties. penalties: waiver.

Existing law imposes various taxes and fees that are administered by the State Board of Equalization, the Franchise Tax Board, and the Employment Development Department. Existing law authorizes these state agencies to impose fines and penalties for violations of those laws imposing the tax or fee. Under existing law, if the Director of Employment Development finds that any employer, in submitting facts concerning the termination of a specified claimant's employment concerning unemployment compensation, among other things, willfully makes a false statement or representation, the director is required to assess a penalty against the employer of that claimant in a specified amount.

This bill would ~~require~~ *authorize* the State Board of Equalization, the Franchise Tax Board, and the Employment Development Department to waive any fine or penalty for violations of the laws that impose a tax

or fee, assessed against a small business, as defined, within its first 120 days of operation if certain requirements are met.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 42 is added to the Revenue and Taxation
- 2 Code, to read:
- 3 42. (a) The board, Franchise Tax Board, and the Employment
- 4 Development Department, with respect to the laws administered
- 5 by them that impose a tax or fee, ~~shall~~ *may* waive any fine or
- 6 penalty for violations of those laws assessed against a small
- 7 business within its first 120 days of operation if the violation does
- 8 not create a threat to health or safety, does not violate any provision
- 9 of the Labor Code, and was not done intentionally.
- 10 (b) For the purposes of this section, a “small business” is a
- 11 business with 100 or fewer employees.